CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE

For Public Release

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California Stem Cell Agency, Donors and 12 California Institutions Commit $1.1 Billion to Increase the Capacity for Stem Cell Research in California

LOS ANGELES, Calif., May 7, 2008—The governing board of the California Institute for Regenerative Medicine (CIRM), the state's stem cell agency, voted today to distribute $271 million to 12 institutions to build stem cell research facilities throughout California. The institutions committed an additional $560 million from charitable donations and their internal reserves, bringing the total statewide investment in new research space to $831 million. This leverage of the state's stem cell funds was further increased by additional institutional commitments for faculty recruitment packages and other related capital costs. In total, the state funding will have leveraged $1.1 billion in new resources to accelerate the pace toward therapies for patients with chronic and debilitating disease and injury.

Investment in research infrastructure to extend California's state-of-the-art research capacity is a critical part of the agency's scientific strategic plan to sustain and build California's global leadership in stem cell research and to accelerate the field as a whole. All the institutions have agreed to expedited construction schedules that will deliver nearly 800,000 square feet of facilities with researchers in the labs within two years. This accelerated schedule should create thousands of construction jobs at a time when the state economy needs them. CIRM is funded through the sale of 30-year stem cell research bonds, and therefore none of these costs will impact the state's budget this year.

"This prop 71 stem cell research facilities program is one of the largest building programs ever dedicated for a new field of medical science and it will deliver an impact that will be felt world-wide," commented Robert N. Klein, chairman of the governing board of the state stem cell agency. "As a patient advocate, I am inspired by the amount of leverage California research institutions have contributed from their charitable donors and from their reserves. Their incredible commitment underscores the promise that stem cell research holds for patients suffering from chronic disease and injury."

In a statement issued today, Governor Schwarzenegger said "This will go a long way toward medical research that could save lives and improve them for people with chronic diseases. But also, this kind of public-private investment in a growing jobs sector is exactly the kind of good news our economy needs right now."

The Major Facilities Grant program was launched in August 2007 as a two-part application process. In the fall, the agency's Scientific and Medical Research Grants Working Group evaluated the scientific merit of 17 proposals submitted in response to the request for application. On January 16, 2008 the ICOC approved Part 1 of the applications, inviting 12 institutions to advance to the second and final part of the application process. Part 2 of the application focuses on the technical aspects of an applicant's building program and how the scientific program aligns with the CIRM's objectives, and why the program represents a good value for California taxpayers' investment. The review was conducted by the 10-member Scientific and Medical Research Facilities Working Group (Facilities Working Group) made up of real estate experts, patient advocates and the chairman of the ICOC. This meeting was open to the public.

"These facilities will house basic and clinical researchers working collaboratively, with stem-cell-specific core labs literally 'down the hall' – an arrangement that is instrumental to our ability to accelerate the pace of research toward clinical application" said Dr. Alan Trounson, president of CIRM. "Because of this, we believe these facilities will be an instrumental part of advancing one of CIRM's primary objectives of helping to speed the delivery of stem-cell based therapies and cures into the clinic and to patients."

CIRM had originally pledged to award $262 million in this round of grants, which would have taken the facilities grants by CIRM to the maximum allowed for "bricks and mortar" under Proposition 71. Today's total of $271 million results from asking the institutions to breakout costs for scientific equipment, which CIRM routinely funds from the research portion of its bond allocation. This allowed CIRM to supplement its facilities total with $9 million from the research pool.

"I was very pleased that the review process allowed us to make complete, thorough and fair evaluations of the applications," said David Lichtenger, Chair of the CIRM Facilities Working Group (FWG), and President and CEO of Integrated Facilities Solutions (IFS) in Palo Alto. "I was also very encouraged to see that many of the applicants are at the forefront in designing innovative research space that efficiently used open and common areas to foster collaboration and flexibility in use."

"I am thrilled that there appears to be sufficient funds that all 12 proposals can move forward to completion because these facilities should dramatically accelerate the pace of getting new therapies to patients," said David Serrano Sewell, vice chair of the CIRM FWG and Deputy City Attorney in the San Francisco City Attorney's Office.

The 12 institutions had originally requested $336 million in funding from CIRM. At its April 4—5 meeting the FWG scored each proposal on set criteria and then reduced each institution's request by the percentage their score was below 100. For example, if a proposal received a 92, the institution's request was reduced by eight percent. That reduced the funding gap from $74 million to $27 million. Moving $9 million of the requests into equipment costs reduced the gap to $18 million. This remaining gap was mitigated by offering institutions the chance to receive their award this summer at a discounted rate, rather than two years from now at completion of the projects as was initially contemplated. Eight institutions decided it was financially advantageous for them to take the award now with a nine percent reduction. This closed the gap and the remaining, relatively new and emerging institutions, could get the full funding recommended by the FWG.

"California is at the epicenter of stem cell research," said Eli Broad, founder of The Eli and Edythe Broad Foundation, which has committed more than $50 million to stem cell research at the Broad Institute for Integrative Biology and Stem Cell Research at USC and the Eli and Edythe Broad Center of Regenerative Medicine and Stem Cell Research at UCLA. "By creating new research centers and attracting the very best scientists from around the world, we will enable the rapid

progress of one of the most promising areas of scientific and medical research today. The partnership between public institutions, the state, private foundations and donors demonstrates the unprecedented commitment California is making to stem cell research. The Broad Foundation is pleased to be the largest private donor to stem cell research in California."

"The important thing to me is that stem cells might not only extend life, but also improve the quality of life, as so many people suffer in their later years. But I think stem cells will have applications across the entire life span" stated Lorry Lokey, a donor to Stanford University's project.

Edward Thorp, a donor to the University of California, Irvine project states "Vivian and I believe that private donations like ours in support of stem cell research at UCI will have a benefit both to our community and to our country that is immeasurably greater than the amount of the gift. Stem cell research promises to transform the treatment of disease and to give us longer, healthier lives. We expect donor support will allow continuing breakthroughs by UCI's stellar research team and that this will be leveraged by attracting many times as much in continuing state support."

Ray Dolby, a donor to the University of California San Francisco project stated "Dagmar and I are very happy to see the ongoing progress of CIRM activities and wish the project continued success."

Li Ka-shing, a Hong Kong philanthropist and entrepreneur and donor to the University of California, Berkeley project stated "When I made a gift to support the establishment of the Li Ka Shing Center for Biomedical and Health Sciences at Berkeley, I was inspired by the passage of Prop 71 and the promise of significant advances in stem-cell research. I am pleased to partner with UC Berkeley and with CIRM to support focused efforts targeting the root causes of some of today's most devastating diseases and translate discoveries into new therapies."

The table below details the amount of funding each applicant will receive from CIRM, the donor and institutional funds, the total building cost, the additional funds committed for faculty recruitment and other project costs, and total project costs.

Institution	Amount Awarded	Donor and Institutional Funds	Total Building Cost	Faculty Recruitment and Other Costs	Total Project Investment
CIRM INSTITUTES (Grants of up to $50 million)					
Stanford University	**43,578,000**	**156,422,000**	**200,000,000**	**25,450,000**	**225,450,000**
San Diego Consortium for Regenerative Medicine	**43,000,000**	**72,202,026**	**115,202,026**	**40,000,000**	**155,202,026**
University of California, San Francisco	**34,862,400**	**59,652,340**	**94,514,740**	**40,900,000**	**135,414,740**
University of California, Irvine	**27,158,000**	**33,301,400**	**60,459,400**	**21,500,000**	**81,959,400**
University of Southern California	**26,972,500**	**55,637,500**	**82,610,000**	**60,000,000**	**142,610,000**
University of California, Davis	**20,082,400**	**41,688,188**	**61,770,588**	**37,100,000**	**98,870,588**

University of California, Los Angeles	**19,854,900**	**22,979,578**	**42,834,478**	**40,000,000**	**82,834,478**
CIRM CENTERS OF EXCELLENCE (Grants of up to $25 million)					
Buck Institute for Age Research	**20,500,000**	**49,580,747**	**70,080,747**	**21,600,000**	**91,680,747**
University of California, Berkeley	**20,183,500**	**58,426,500**	**78,610,000**	**14,000,000**	**92,610,000**
CIRM SPECIAL PROGRAMS (Grants of up to $10 million)					
University of California, Santa Cruz	**7,191,950**	**5,704,550**	**12,896,500**	**13,400,000**	**26,296,500**
University of California, Merced	**4,359,480**	**3,098,520**	**7,458,000**	**800,000**	**8,258,000**
University of California, Santa Barbara	**3,205,800**	**3,146,600**	**6,352,400**	**7,750,000**	**14,102,400**
ALL REQUESTS	**270,946,930**	**561,839,949**	**832,786,879**	**322,500,000**	**1,155,286,879**

Major Facilities Grants

The objectives of the CIRM Major Facilities Grant Program are:

- Funding new facilities – and encouraging investments by others in new facilities – that are free of any federal funding so as to allow research and development of therapies based on human embryonic stem cell (hESC) and other stem cell approaches to proceed in California without restrictions imposed by the federal government.
- Developing stem cell research centers that will expand research capacity and capabilities in California while bringing stem cell-related researchers together in a collaborative setting.
- Funding new facilities and improvements where research institutions have determined that existing facilities are inadequate or are lacking altogether and thus pose a challenge to the development of therapies and cures for diseases being addressed at these institutions.

The applications seek funding to establish one of three types of CIRM facilities:

CIRM Institutes to carry out stem cell research in three categories: basic and discovery stem cell research, preclinical (translational) research, and preclinical development and clinical research. CIRM funding for these projects will be up to $50 million.

CIRM Centers of Excellence to conduct stem cell research in any two of the three categories listed above. CIRM funding for these project will be up to $25 million.

CIRM Special Program to conduct specialized stem cell projects in one of the categories listed above. CIRM funding for these project will be up to $10 million.

Since April 2006 when the CIRM awarded its first scientific grants under the California Stem Cell Research and Cures Initiative, the Institute has funded 168 grants totaling more than $530 million for investigator-initiated research grants and training to 22 California non-profit and academic institutions. The first grants directed $37.5 million for training 169 pre-doctoral, post-doctoral, and clinical fellows at 16 non-profit and academic research institutions. In 2007 the ICOC approved 73 Leon J. Thal SEED Grants totaling more than $46 million to bring new ideas and new investigators into the field of human embryonic stem cell (hESC) research; 28 Comprehensive Research Grants totaling nearly $72 million to support mature, ongoing studies on hESCs by scientists with a record of accomplishment in the field; 17 Shared Research Laboratory Grants totaling more than $50 million; 22 New Faculty Awards of more than $54 million to encourage the next generation of clinical and scientific leaders in stem cell research; and today's Major Facilities grants to 12 institutions totaling $271 million.

About CIRM CIRM was established in 2004 with the passage of Proposition 71, the California Stem Cell Research and Cures Act. The statewide ballot measure, which provided $3 billion in funding for stem cell research at California universities and research institutions, was overwhelmingly approved by voters, and called for the establishment of an entity to make grants and provide loans for stem cell research, research facilities, and other vital research opportunities. To date, the CIRM governing board has approved 168 research and facility grants totaling more than $530 million, making CIRM the largest source of funding for human embryonic stem cell research in the world. For more information, please visit www.cirm.ca.gov.